Bestinet Technology Sdn Bhd v MYFWM System Sdn Bhd & Ors

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO WA-22IP-22–03 OF 2020
MOHD RADZI HARUN J
5 JANUARY 2022

Trade Marks — Infringement of — Registered trademark and passing off — Plaintiff claimed defendants for infringement of trademark and tort of passing off — Defendants counterclaimed seeking to invalidate plaintiff's trademark and to issue injunction from continued usage of trademark — Whether first defendant's corporate veil ought to be pierced — Whether plaintiff's trademark was valid — Whether defendants' mark was similar to plaintiff's trademark — Whether defendants' offer of their services in their website containing mark infringed plaintiff's trademark — Whether there was passing off — Whether there was unlawful interference with trade — Whether there was conspiracy to injure — Trademarks Act 2019 ss 46–47 & 54

The plaintiff complained that its registered trademark 'FWCMS' was infringed by the defendants' 'MyFWMs' mark in the provision of the defendants' similar type of service relating to foreign workers management system. The plaintiff's action against the defendants was for its trademark infringement, tort of passing off, unlawful interference with trade, and conspiracy to injure. The plaintiff started its business operations in 2012 with its main focus on the provision of a computerised management system of foreign workers. The mark 'FWCMS' was coined by the plaintiff and was an acronym for 'foreign workers centralised management system'. Around July 2019, the plaintiff found that the defendants had offered a system dealing with the management of foreign workers, a service similar to that of the plaintiffs. The plaintiff further found that the said defendants' system was using the marks 'MyFWMs' ('the infringing marks') that was confusingly similar to the plaintiffs 'FWCMS' trademark. The plaintiff alleged that the defendants, beginning from a date unknown to the plaintiff, had been operating the business of foreign workers management system through its website using the 'MyFWMs' mark which had infringed the plaintiff's registered trademarks. The defendants' infringing mark was so similar to the plaintiffs' that it had caused confusion and deception to the public into believing that the services provided by the defendant was that of the plaintiffs', and that the members of the public would use the defendant's services as they believed the services to be that of the plaintiffs. Consequent to the above, the plaintiff filed the current action under the Trademarks Act 2019 ('the TMA 2019') against the defendants. The defendants counterclaimed against the plaintiff seeking to invalidate the plaintiffs' 'FWCMS' trademark

and that a permanent injunction was issued against the plaintiff from the continued usage of the 'FWCMS' trademark. The issues for consideration were (a) whether the first defendant's corporate veil ought to be pierced; (b) whether the plaintiff's trademark was valid; (c) whether the defendants' mark was similar to the plaintiff's trademark; (d) whether the defendants' offer of their services in their website containing the mark infringed the plaintiff's trademark; (e) whether there was passing off; (f) whether there was an unlawful interference with trade; and (g) whether there was conspiracy to injure.

Held:

(1) D2, D3 and D4 were the alter ego and controlling minds of the first defendant and shall be liable together with the first defendant. Consequently, to prevent D2, D3 and D4 individually and collectively evading their liability and also to prevent them from abusing the first defendant's corporate personality, it was in the interest of justice for the first defendant's corporate veil to be pierced (see para 22).

(2) The plaintiff had provided sufficient proof that the plaintiff's 'FWCMS' had been registered with the registrar and the plaintiff had shown proof of its continued use of its trademark. The plaintiff had positively used its trademark as a statement or part of a statement about its registered trademark. The registrar was correct in allowing the plaintiff's 'FWCMS' trademark to be registered having assessed the mark as a whole and found that it fulfilled its distinctive character and that it did not describe its goods and not descriptive, and peculiar. The defendants' claim that the plaintiff's trademark should be invalidated pursuant to ss 46 and 47 of the TMA 2019 was consequently dismissed (see paras 24–27).

(3) The phonetic aspects of both marks could not be taken into account as both the plaintiff's mark 'FWCMS' and the defendants' 'MyFWMs' mark did not carry any sensible speech or phonetic sounds. The defendants' 'MyFWMs' mark was so nearly resembled the plaintiffs 'FWCMS' trademark (see paras 34–35).

(4) The Ministry of Home Affairs ('KDN') officials that were being presented with the defendants' foreign workers management system did not fall within the spectrum of 'public' as envisaged by s 54 of the TMA 2019. The KDN officials could not have been confused into believing that the presentation/demonstration by the defendants was a demonstration by the plaintiff. They could not have been confused between the defendants' 'MyFWMs' mark and the plaintiff's 'FWCMS' trademark. The defendants had offered their services in the course of their trade to the government representatives. Therefore, the defendants did not infringe the plaintiff's trademark as the plaintiff failed to prove

the requisite legal element of 'resulting in the likelihood of confusion on the part of the public' as provided under s 54 of the TMA 2019 (see paras 51–53).

(5) The plaintiff had acquired substantial goodwill and reputation in their trade through its 'FWCMS' trademark, whereby the relevant public as well as the relevant community had identified 'FWCMS' exclusively with the plaintiff, aside through their extensive and substantial advertising and promotional activities and investments through the years when they conducted the services of foreign workers management system to the public. The plaintiff had successfully proven misrepresentation by the defendants which caused damage to the goodwill of the plaintiff's business through an unlawful association created by the defendants, and that the plaintiffs had thereby suffered damage as a result of the defendants' misrepresentation. Consequently, the plaintiff's claim for the tort of passing off was allowed (see paras 65 & 67).

(6) As the court had made an affirmative finding on the issue of tort of passing off, it was decided in favour of the plaintiff that there was an unlawful interference with its trade by the defendants (see para 69).

(7) On a balance of probabilities, the plaintiff had successfully proven that the defendants had conspired by unlawful means to injure the plaintiff. That conspiracy was not a criminal conspiracy (see paras 71–72).

[Bahasa Malaysia summary

Plaintif mendakwa bahawa cap dagangan berdaftarnya 'FWCMS' telah dilanggar oleh tanda 'MyFWM' defendan dalam peruntukan jenis perkhidmatan serupa defendan berkaitan sistem pengurusan pekerja asing. Tindakan plaintif terhadap defendan adalah kerana pelanggaran cap dagangannya, tort kelirupaan, campur tangan dagangan tidak sah dan konspirasi untuk menjejaskan. Plaintif memulakan operasi perniagaannya pada 2012 dengan fokus utamanya kepada penyediaan sistem pengurusan berkomputer pekerja asing. Tanda 'FWCMS' dicipta oleh plaintif dan merupakan akronim untuk 'foreign workers centralised management system'. Sekitar Julai 2019, plaintif mendapati defendan telah menawarkan sistem berurusan dengan pengurusan pekerja asing, perkhidmatan yang serupa dengan plaintif. Plaintif selanjutnya mendapati bahawa sistem defendan tersebut menggunakan tanda 'MyFWMs' ('tanda pelanggaran') yang mengelirukan serupa dengan cap dagangan 'FWCMS' plaintif. Plaintif mendakwa bahawa defendan, bermula dari tarikh yang tidak diketahui oleh plaintif, telah mengendalikan perniagaan sistem pengurusan pekerja asing melalui laman webnya menggunakan tanda 'MyFWMs' yang telah melanggar cap dagangan berdaftar plaintif. Tanda pelanggaran defendan sangat serupa dengan plaintif sehingga menyebabkan kekeliruan dan penipuan kepada orang ramai untuk mempercayai bahawa perkhidmatan yang diberikan oleh

defendan adalah perkhidmatan plaintif dan orang awam akan menggunakan perkhidmatan defendan kerana mereka percaya perkhidmatan itu adalah daripada plaintif. Berikutan perkara di atas, plaintif memfailkan tindakan ini di bawah Akta Cap Dagangan 2019 ('ACP 2019') terhadap defendan. Defendan menuntut balas terhadap plaintif memohon untuk membatalkan cap dagangan 'FWCMS' plaintif dan satu injunksi kekal dikeluarkan terhadap plaintif daripada penggunaan berterusan cap dagangan 'FWCM". Isu-isu untuk pertimbangan adalah (a) sama ada tirai pemerbadanan defendan harus diangkat; (b) sama ada cap dagangan plaintif adalah sah; (c) sama ada tanda defendan adalah serupa dengan cap dagangan plaintif; (d) sama ada tawaran defendan untuk perkhidmatan mereka dalam laman web mereka yang mengandungi tanda itu melanggar cap dagangan plaintif; (e) sama ada berlaku kelirupaan; (f) sama ada terdapat campur tangan dagangan tidak sah; dan (g) sama ada terdapat konspirasi untuk menjejaskan.

Diputuskan:

(1) D2, D3 dan D4 adalah alter ego dan minda yang mengawal defendan pertama dan hendaklah bertanggungjawab bersama defendan pertama. Akibatnya, untuk mengelakkan D2, D3 dan D4 secara individu dan kolektif mengelak liabiliti mereka dan juga untuk mengelakkan mereka daripada menyalahgunakan keperibadian korporat defendan pertama, adalah demi kepentingan keadilan untuk tirai pemerbadanan defendan pertama diangkat (lihat perenggan 22).

(2) Plaintif telah memberikan bukti yang mencukupi bahawa 'FWCMS' plaintif telah didaftarkan dengan pendaftar dan plaintif telah menunjukkan bukti penggunaan berterusan cap dagangannya. Plaintif telah menggunakan cap dagangannya secara positif sebagai kenyataan atau sebahagian daripada kenyataan tentang cap dagangan berdaftarnya. Pendaftar adalah betul dalam membenarkan cap dagangan 'FWCMS' plaintif didaftarkan setelah menilai tanda itu secara keseluruhan dan mendapati bahawa ia memenuhi ciri tersendiri dan ia tidak menerangkan barangannya dan bukan deskriptif dan khusus. Dakwaan defendan bahawa cap dagangan plaintif sepatutnya tidak sah menurut ss 46 dan 47 ACP 2019 akibatnya ditolak (lihat perenggan 24–27).

(3) Aspek fonetik kedua-dua tanda tidak boleh diambil kira kerana kedua-dua tanda 'FWCMS' plaintif dan tanda 'MyFWM' defendan tidak membawa sebarang ucapan atau bunyi fonetik yang masuk akal. Tanda 'MyFWMs' defendan sangat hampir menyerupai cap dagangan 'FWCMS' plaintif (lihat perenggan 34–35).

(4) Pegawai Kementerian Dalam Negeri ('KDN') yang dibentangkan dengan sistem pengurusan pekerja asing defendan tidak termasuk dalam spektrum 'orang awam' seperti yang dibayangkan oleh s 54 ACP 2019. Pegawai KDN boleh tidak keliru untuk mempercayai bahawa

pembentangan/demonstrasi oleh defendan adalah demonstrasi oleh plaintif. Mereka tidak mungkin keliru antara tanda 'MyFWM' defendan dan cap dagangan 'FWCMS' plaintif. Defendan telah menawarkan perkhidmatan mereka melalui perdagangan mereka kepada wakil kerajaan. Oleh itu, defendan tidak melanggar cap dagangan plaintif kerana plaintif gagal membuktikan elemen undang-undang yang diperlukan 'menyebabkan kebarangkalian kekeliruan kepada orang awam' seperti yang diperuntukkan di bawah s 54 ACP 2019 (lihat perenggan 51–53).

(5) Plaintif telah memperoleh nama baik dan reputasi substantif dalam perdagangan mereka melalui cap dagangan 'FWCMS', di mana orang awam yang berkaitan serta komuniti yang berkaitan telah mengenal pasti 'FWCMS' secara eksklusif dengan plaintif, selain melalui aktiviti dan pelaburan pengiklanan dan promosi yang meluas dan besar sepanjang tahun apabila mereka menjalankan perkhidmatan sistem pengurusan pekerja asing kepada orang awam. Plaintif telah berjaya membuktikan salah nyata oleh defendan yang menyebabkan kerosakan kepada nama baik perniagaan plaintif melalui persatuan yang menyalahi undang-undang yang diwujudkan oleh defendan dan bahawa plaintif telah mengalami kerosakan akibat salah nyataan defendan. Akibatnya, tuntutan plaintif untuk tort kelirupaan telah dibenarkan (lihat perenggan 65–67).

(6) Memandangkan mahkamah telah membuat dapatan afirmatif mengenai isu tort kelirupaan, ia telah diputuskan memihak kepada plaintif bahawa terdapat campur tangan dagangan tidak sah terhadap perdagangannya oleh defendan (lihat perenggan 69).

(7) Berdasarkan imbangan kebarangkalian, plaintif telah berjaya membuktikan bahawa defendan telah berkonspirasi dengan cara yang menyalahi undang-undang untuk menjejaskan plaintif. Konspirasi itu bukanlah konspirasi jenayah (lihat perenggan 71–72).]

Cases referred to

A Clouet & Co Pte Ltd & Anor v Maya Toba Sdn Bhd [1996] 1 MLJ 251; [1996] 1 BLJ 239, HC (refd)

AG Spalding Brothers v AW Gamage, Ltd [1915] 84 LJ Ch 449, HL (refd)

Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA and another appeal [2016] 9 MLJ 466; [2016] 9 CLJ 310, CA (folld)

BRG Brilliant Rubber Goods (M) Sdn Bhd v Santa Barbara Polo & Racquet Club Management Inc (Pendaftar Cap Dagangan Malaysia, interested party) and another case [2017] 7 MLJ 244, HC (folld)

Bata Ltd v Sim Ah Ba @ Sim Teng Khor & Ors (trading as Kheng Aik Trading) [2006] 6 MLJ 445; [2006] 3 CLJ 393, CA (refd)

Chanel v Melwani2 International Sdn Bhd & Ors and other suits [2017] 10 MLJ

592; [2017] 6 CLJ 567, HC (folld)
Electrolux Ld v Electrix Ld and another [1954] 71 RPC 23, CA (refd)
Giga Engineering & Construction Sdn Bhd v Yip Chee Seng & Sons Sdn Bhd & Anor [2015] 6 MLJ 449; [2015] 9 CLJ 537, FC (folld)
Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 2) [2007] 7 MLJ 164, HC (refd)
Gurbachan Singh s/o Bagawan Singh & Ors v Vellasamy s/o Pennusamy & Ors and other appeals [2015] 1 MLJ 773, FC (folld)
Hiu Kuan Hoe v Societe Des Produits Nestle SA [2012] MLJU 615; [2013] 2 CLJ 644, CA (refd)
Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor (Registrar of Trade Marks, intervener) [2015] 4 MLJ 166; [2015] 4 CLJ 20, FC (refd)
Illinois Tool Works, Inc v Pendaftar Cap Dagangan (M) [2009] 9 MLJ 101, HC (refd)
LB (Lian Bee) Confectionary Sdn Bhd vs QAF Ltd & Anor [2011] 7 CLJ 797, CA (refd)
Lim Yew Sing v Hummel International Sports & Leisure A/S [1996] 3 MLJ 7; [1996] 4 CLJ 784, CA (refd)
Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor [2018] 1 MLJ 175; [2018] 1 CLJ 287, FC (refd)
Meidi-Ya Co Ltd, Japan & Anor v Meidi (M) Sdn Bhd [2009] 2 MLJ 14; [2009] 2 CLJ 15, FC (refd)
Merck KGaA v Leno Marketing (M) Sdn Bhd [2017] MLJU 1011; [2017] 1 LNS 1006, CA (refd)
Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party) [2015] 6 MLJ 465; [2015] 9 CLJ 125, FC (refd)
Munchy Food Industries Sdn Bhd v Huasin Food Industries Sdn Bhd [2022] 1 MLJ 377; [2021] 10 CLJ 329, FC (refd)
Muniandy a/l Nadasan & Ors v Dato' Prem Krishna Sahgal & Ors [2016] 11 MLJ 38; [2016] 1 LNS 592, HC (refd)
Pianotist Co's Application, Re (1906) 23 RPC 774, Ch D (refd)
Polo/Lauren Co, LP v Shop In Department Store Pte Ltd [2006] 2 SLR(R) 690 (refd)
Renault SA v Inokom Corp Sdn Bhd & Anor and other appeals [2010] 5 MLJ 394; [2010] 5 CLJ 32, CA (refd)
SCK Group Bhd & Anor v Sunny Liew Siew Pang & Anor [2011] 4 MLJ 393 ; [2010] 9 CLJ 389, CA (refd)
Sabel BV v Puma AG and Rudolf Dassler Sport: C-251/95 [1998] RPC 199 (refd)
Sarika Connoisseur Cafe Pte Ltd v Ferrero SpA [2012] SGCA 56; [2013] 1 SLR 531, CA (folld)
Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 2 MLJ 770; [1994] 3 CLJ 7, SC (refd)
Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors [2004] 4

MLJ 358; [2004] 3 CLJ 815, CA (refd)
SkyWorld Development Sdn Bhd & Anor v SkyWorld Holdings Sdn Bhd & Ors [2020] 3 MLJ 294; [2020] 1 LNS 48, CA (folld)
Solid Investments Ltd v Alcatel-Lucent (M) Sdn Bhd (previously known as Alcatel Network Systems (M) Sdn Bhd) [2014] 3 MLJ 785; [2014] 3 CLJ 73, FC (folld)
Star Industrial Co Ltd v Yap Kwee Kor (t/a New Star Industrial Co) [1976] FSR 256, PC (refd)
Tohtonku Sdn Bhd v Superace (M) Sdn Bhd [1992] 2 MLJ 63; [1992] 2 CLJ 1153, SC (folld)
Wagamama Ltd v City Centre Restaurants [1995] FSR 713, Ch D (refd)
Warmal Wil Heavy Duty Pumps Sdn Bhd v Pump Matrix Engineering Sdn Bhd [2018] 10 MLJ 99, HC (refd)
White Hudson & Co v Asian Organization Ltd [1965] MLJ 186; [1964] 1 LNS 215, PC (refd)
Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2012] 1 MLJ 585; [2011] 1 LNS 1307, CA (folld)

Legislation referred to

Trade Marks Act 2019 ss 2, 7, 9, 9(1), 46, 47, 54, 54(2)
Trade Marks Act 1998 [SG] s 27(2)
Trademarks Act 1976 (repealed by Trade Marks Act 2019) s 38

Koh Wei Jie (Ng, Arlene Tan & Leong) for the plaintiff.
Muhd Fadzli Amin bin Muhd Yusoff (Khairul Fadzli Amin & Co) for the defendant.

Mohd Radzi Harun J:

INTRODUCTION

[1] The plaintiff complained that its registered trademark 'FWCMS' was infringed by the defendants' 'MyFWMs' mark in the provision of the defendants' similar type of service relating to foreign workers management system. The plaintiff's action against the defendants is for its trademark infringement, tort of passing off, unlawful interference with trade, and conspiracy to injure. In their counterclaim, the defendant asked this court to invalidate the plaintiff's 'FWCMS' trademark and that a permanent injunction is issued against the plaintiff from the continued usage of that trademark.

[2] After the full trial, this court made the following decisions on the nine issues that had been listed by the parties for this court to answer:

(a) question: Is the defendant's 'MyFWMs' mark similar to the plaintiff's

'FWCMS'?
Answer: Affirmative.

(b) question: Did the defendants' act of 'offering their services' in their website https:myfwms.com.my containing the mark 'MyFWMs' infringed the plaintiff's 'FWCMS' trademark?
Answer: Negative.

(c) question: Did the defendants commited the tortious act of passing off when they used the 'MyFWMs' mark?
Answer: Affirmative.

(d) question: Did the defendants committed the tortious act of unlawful interference with the plaintiff's trade?
Answer: Affirmative.

(e) question: Did the defendants committed the tortious act of conspiracy to injure the plaintiff?
Answer: Affirmative.

(f) question: Whether or not there exist a contract between the plaintiff and the Government of Malaysia for the plaintiffs provision of the foreign workers management system?
Answer: This question bears no relevance to the substantive issues before this court, hence there is no necessity for this court to answer.

(g) question: If the answer to the sixth issue is in the affirmative, whether that contract is still effective?
Answer: As this court had refused to answer the sixth question, it follows that there is no necessity to answer this question.

(h) question: Whether the defendants had profited from the use of the 'MyFWMs' marks?
Answer: This question relates to the issue of quantum of damages, hence the answer will be determined separately at the assessment of damages proceeding; and

(i) question: Whether the plaintiff's claim against the defendants in relation to the defendants' use of the 'MyFWMs' mark can subsist as the Government of Malaysia had decided to suspend the earlier contract between the Government of Malaysia and the plaintiff on the provision of the foreign workers management system?
Answer: This question bears no relevance to the substantive issues before this court, hence there is no necessity for this court to answer.

[3] The defendants were aggrieved and appealed against the entire decisions of this court. The plaintiff also filed its appeal but only against this court's decision that the defendants did not commit any infringement on the plaintiff's trademark.

[4] This ground of judgment shall apply to both the appeals.

BRIEF FACTS

The plaintiff's case

[5] The plaintiff started its business operations in 2012 with its main focus on the provision of a computerised management system of foreign workers. The plaintiff is the registered proprietor of the following trademarks:

Trademark No	Marks	Application Date	Class	Status
2017009976	FWCMS FWCMS	15 September 2017	35	Registered
2013004916	FWCMS	4 April 2013	9	Registered
2013004917	FWCMS	4 April 2013	42	Registered

[6] It is undisputed that the mark 'FWCMS' was coined by the plaintiff and is an acronym for 'foreign workers centralised management system' developed by the plaintiff.

[7] Around July 2019, the plaintiff found that the defendants had offered a system dealing with the management of foreign workers, a service similar to that of the plaintiff's. The plaintiff further found that the said defendants' system was using the marks 'MyFWMs' ('infringing marks') that is confusingly similar to the plaintiffs 'FWCMS' trademark, in the following manner:

The plaintiff's registered trademarks	The defendants' infringing marks

TM No 2017009976 (Kelas 35) 	
TM No 2013004916 (Kelas 9) TM No 2013004917 (Kelas 42) 	

[8] The plaintiff alleged that the defendants, beginning from a date unknown to the plaintiff, had been operating the business of foreign workers management system through its website https://mvfwms.com.mv using the 'MyFWMs' mark which had infringed the plaintiff's registered trademarks as depicted in the preceding paragraph. The defendants' infringing mark is so similar to the plaintiffs' that it had caused confusion and deception to the public into believing that the services provided by the defendant is that of the plaintiffs', and that the members of the public would use the defendant's services as they believed the services to be that of the plaintiffs'.

[9] Consequent to the above, the plaintiff filed the current action under the Trademarks Act 2019 ('the TMA 2019') against the defendants for its trademark infringement, tort of passing off, unlawful interference with trade, and conspiracy to injure the plaintiff. The reliefs sought by the plaintiff include:

(a) declaration that the defendants had committed an act of false trade description;

(b) permanent injunction against the defendants from continuing to infringe and passing off the plaintiff's trademarks and unlawfully interfering with the plaintiff's trade and delivery up order of all infringing items in the possession of the defendants;

(c) determination of the plaintiff's loss of profits through examination of the defendants' accounts; and

(d) exemplary, aggravated and statutory damages.

The defendants' case

[10] The defendants admitted in their pleadings that they had introduced a system for the foreign workers management at its website

https://myfwrns.com. However, the defendants' main contention is that the system and the said website has not been operational at the material time. A

[11] As for the mark 'MyFWMs', the defendants pleaded that the logo and that mark is an abbreviation of the official name of the first defendant company, MYFWM System Sdn Bhd. It is the defendants' case that at all times they had been using the acronym 'MyFWMs' in carrying out its business relating to foreign workers management system. It was a mere nomenclature. In addition to that, the defendants' foreign workers management system is called 'SP4M', short for 'Sistem Pengurusan, Pengambilan, Pemantauan Pekerja Asing Malaysia'. 'SP4M' comprised of four basic characteristics involving transparency, data security, SMS notifications and system security. Another process called 'M2PA' was incorporated into 'SP4M' which involve, among others, e-attestation, workers selection, e-insurance, foreign workers delivery and arrivals, health examinations and temporary work permit. These are intended to create a platform that provides an efficient process of foreign workers' entry into Malaysia. B C D

[12] The defendants' main defence is that all the above system and processes were at developmental stage at the material time. None of the said components of the system have been operational at the time cited in the plaintiff's statement of claim. Thus, the defendants claimed, the plaintiff's claims against the defendants must fail as there simply were no infringement or passing off of the plaintiff's trademark and no interference with the plaintiff's trade could have occurred or committed by the defendants. E F

[13] On the infringing marks, the defendants pleaded that the plaintiff's claim for its trademark infringement must fail as:

(a) the plaintiff's trademark 'FWCMS' refers to an acronym of the system it provides, 'foreign workers centralized management system', whereas the defendants' 'MyFWMs' mark is an acronym of the first defendant's company name; G

(b) no confusion nor deception caused to the members of the public and the trading community as there are no obvious phonetic and visual similarities between the plaintiff's 'FWCMS' trademark and the defendants' 'MyFWMs' mark as: H

(i) the mark 'MyFWMs' included the word 'My';

(ii) the letter 'C' as found in the plaintiff's trademark is conspicuously missing in the defendants' mark; I

(iii) the visibly different font and colours used in the defendants' mark compared to that used in the plaintiff's trademark; and

(iv) various symbols appear in the defendants' marks that are completely missing and not found in the plaintiff's trademark.

(c) the defendants were merely doing a test on the system they were developing and they were carrying out demonstrations to certain government officials as part of the requirement before the government considers and make its final determination on the defendants' proposal;

(d) in actual fact, the defendants do not continue with the project as the government had subsequently made a policy call where the defendants were entirely excluded from the said project; and

(e) even if the system developed by the defendants contain similar purpose and functionalities with the plaintiff's, the defendants had provided a system comprising 'SP4M' and 'M2PA' that is entirely different than that offered by the plaintiff.

[14] The defendant counterclaimed against the plaintiff seeking this court to invalidate the plaintiff's 'FWCMS' trademark and that a permanent injunction is issued against the plaintiff from the continued usage of the 'FWCMS' trademark.

THE TRIAL

[15] Due the Movement Control Order, the trial proceeded in a hybrid manner, using both the usual physical appearances of counsels and witnesses in my courtroom and via remote communication technology, with the agreement of all parties. The plaintiff called two witnesses and the defendant called only one witness, the second defendant.

THE FINDINGS

Preliminary issues

[16] Before I dealt with the substantive questions, I had dispensed with two preliminary issues in the following manner:

Preliminary issue one: Piercing of the first defendant's corporate veil

[17] It is the defendants' defence that as the second, third and fourth defendants ('D2', 'D3', 'D4' respectively) are individual persons, their liabilities, if any, must be separated from the first defendant's, which is a body corporate. The plaintiff on the other hand asked this court to pierce the corporate veil of the first defendant to prevent D2, D3 and D4 from evading liability.

[18] This court found that DW1 in his evidence confirmed that all the defendants were involved together and collectively in the provision of the business of foreign workers management system using the infringing marks. It was also the evidence of DW1 that D2, D3, D4 as directors of the first defendant conducted the said business together and all decisions of the first defendant were made collectively by D2, D3 and D4.

[19] In *Chanel v Melwani2 International Sdn Bhd & Ors and other suits* [2017] 10 MLJ 592; [2017] 6 CLJ 567 Justice Wong Kian Kheong elaborated on the difference between the piercing of a corporate veil and its lifting. His Lordship held:

> A company's corporate veil is pierced by a party when the party seeks to impose personal liability on an individual who may or may not be the company's director, shareholder or employee. The court lifts the corporate veil of a company to ascertain the true factual position without imposing any personal liability on a particular individual (please see Staughton LJ's judgment in the English Court of Appeal case of *Atlas Maritime Co SA v Avalon Maritime Ltd; The Coral Rose (No 1)* [1991] 4 All ER 769 at p 779, which was followed in *KTL Sdn Bhd v Leong Oow Lai* [2014] MLJU 1405; [2014] AMEJ 1458 at paras 66—67).

[20] Further, having considered the judgments of three oft-cited decisions of the Federal Court of *Solid Investments Ltd v Alcatel-Lucent (M) Sdn Bhd (previously known as Alcatel Network Systems (M) Sdn Bhd)* [2014] 3 MLJ 785; [2014] 3 CLJ 73, *Gurbachan Singh s/o Bagawan Singh & Ors v Vellasamy s/o Pennusamy & Ors and other appeals* [2015] 1 MLJ 773 and *Giga Engineering & Construction Sdn Bhd v Yip Chee Seng & Sons Sdn Bhd & Anor* [2015] 6 MLJ 449; [2015] 9 CLJ 537 on the issue of lifting and piercing of the corporate veil, the learned judge eloquently consolidated these decisions and held that the conditions for an entity's corporate veil to be pierced or lifted are that:

(a) the piercing of lifting of a corporate veil is in the interest of justice; and

(b) the existence of special circumstances to pierce or lift the corporate veil, such as:

(i) there has been commission of actual fraud or common law fraud;

(ii) equitable fraud or constructive fraud has been committed;

(iii) to prevent evasion of liability; or

(iv) to prevent an abuse of corporate personality.

[21] The SSM search document (refer Bundle A1, pp 3–4) shows that D2, D3 and D4 are the only directors and shareholders of the first defendant. In his evidence, DW1 admitted that D2, D3 and D4 together founded the first defendant.

[22] Relying on the authorities cited above and the evidence before this court, I am satisfied that D2, D3 and D4 are the alter ego and controlling minds of the first defendant and shall be liable together with the first defendant. Consequently, I made a finding that to prevent D2, D3 and D4 individually and collectively evading their liability and also to prevent them from abusing the first defendant's corporate personality, it is in the interest of justice for the first defendant's corporate veil to be pierced.

Preliminary issue two: Validity of the plaintiff's 'FWCMS' trademark

[23] It is the defendants' pleaded case in their counterclaim that the plaintiff's trademark is invalid on grounds of its:

(a) non-use; and

(b) non-distinctiveness,

and therefore the said trademark should be invalidated by this court pursuant to s 46 of the TMA 2019.

[24] At the outset, this court is satisfied that the plaintiff had provided sufficient proof that the plaintiff's 'FWCMS' had been registered with the registrar. Secondly, this court is satisfied that the plaintiff had shown proof of its continued use of its trademark in the following manner:

(a) in the plaintiff's website https:fwcms.com.my, which is available to the public at large in the course of trade (see Bundle A1, pp 70–103);

(b) in the plaintiff's Facebook page (see Bundle A1, p 139);

(c) in the plaintiff's promotional brochure (see Bundle A1, p 137);

(d) in various articles and publications (see Bundle A1, pp 104–136); and

(e) in photographs at various premises and locations (see Bundle A1, pp 104–136 and 143).

[25] Having considered the evidence before me and the testimonies of PW1 and DW1 on this issue during the course of the trial, I conclude that the plaintiff had positively used its trademark as a statement or part of a statement about its registered trademark. The plaintiff had used its trademark by affixing the marks to its services, advertisement and publications as I had enumerated above (see *Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 2)* [2007] 7 MLJ 164, *Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA and another appeal* [2016] 9 MLJ 466; [2016] 9 CLJ 310). I found that the plaintiff had fulfilled the meaning of 'use' as defined in s 7 of the TMA 2019.

[26] It is my finding further that the registrar was correct in allowing the plaintiff's 'FWCMS' trademark to be registered having assessed the mark as a whole and found that it fulfilled its distinctive character and that it does not describe its goods and not descriptive, and peculiar (see *Illinois Tool Works, Inc v Pendaftar Cap Dagangan (M)* [2009] 9 MLJ 101). I found that the mark is distinctive as defined under s 2 of the TMA 2019.

[27] The defendants' claim that the plaintiff's trademark should be invalidated pursuant to ss 46 and 47 of the TMA 2019 is consequently dismissed.

Substantive issues for determination

[28] Having considered the evidence before me and taking into account the written and oral submissions by the counsels of both parties, my findings on the nine issues to be determined by this court are as in the following paragraphs.

Issue one: The defendants' 'MyFWMs' mark is similar to the plaintiff's 'FWCMS'?

[29] The defendants' main contention is that the plaintiff's 'FWCMS' trademark is an acronym for 'foreign workers centralized management System' whereas the mark used by the defendants is 'MyFWMs' which is an abbreviation of the name of the defendants company as well as the acronym for 'Malaysia foreign worker management system'.

[30] Specifically, as I had highlighted in the earlier paragraph, the defendants' main argument to substantiate their case that the answer to this first issue is in the negative are that:

(a) there exists the letter 'C' in the plaintiff's trademark, a feature of which is absent in the defendant's mark;

(b) the defendant's mark uses a different 'font' from the plaintiff's trademark;

(c) the defendant's mark contains a picture/symbol of three lines on top of the words 'MyFWMs', a feature of which is absent in plaintiff's trademark;

(d) the defendant's mark uses a font bright red in colour whereas the font used for plaintiff's trademark is in a dark blue colour;

(e) the defendant's mark consists of six letters whereas the plaintiff's trademark consists of five letters;

(f) the defendant's mark uses a small letter 's' while plaintiff's trademark uses a capital 'S'; and

(g) the defendant's mark contains the syllable 'My', a feature of which is absent in the plaintiff's trademark. As the first syllable in defendant's mark, it stands out more and further differentiates the defendant's mark from the plaintiff's trademark.

[31] The defendants' counsel submitted that PW1 during cross-examination was of the opinion that the defendants' mark possesses different visual quality than the plaintiff's trademark:

> Notes of Proceeding dated 12/10/2020, Page 10 Line 8
>
> AHZ: Saya ingin merujuk Encik Ismail kepada soalan dan jawapan nombor 16 dan juga nombor 18. Saya merujuk kepada logo pada jawapan Encik Ismail. Setuju kalau saya cadangkan bahawa logo yang ada tiga garis tersebut tidak terdapat pada cap dagangan FWCMS millk Plaintif ?
>
> IMN: Tiga garis tidak — saya setuju tidak ada.
>
> AHZ: Okay. Saya cadangkan pada Encik Ismail bahawa font, walaupun Encik Ismail tidak pasti font yang digunakan untuk FWCMS, tapi saya cadangkan bahawa font yang digunakan untuk kedua-dua cap dagangan ini, yang terada dalam cap dagangan FWCMS milik Plaintif dan MyFWMs milik Defendan menggunakan font yang berbeza. Setuju atau tidak?
>
> IMN: Setuju.

[32] Relying on *BRG Brilliant Rubber Goods (M) Sdn Bhd v Santa Barbara Polo & Racquet Club Management Inc (Pendaftar Cap Dagangan Malaysia, interested party) and another case* [2017] 7 MLJ 244, *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63; [1992] 2 CLJ 1153*, Al Baik Fast Food Distribution Co SAE,* the defendant's counsel submitted that the plaintiff's and defendants' marks when taken as a whole showed stark contrasts between the two where the defendants had produced huge visual, conceptual and phonetic comparisons between these two marks as indicated in the seven points above. I agree with the defendants' counsel on the requirements that must be established by the plaintiff as set out in those authorities.

[33] The law is trite that in determining this issue, I must consider the two words 'FWCMS' and 'MyFWMS', judge them both by their look and their sound (if that can be decipher), and consider the goods or the services to which the marks are to be applied: *Re Pianotist Co's Application* (1906) 23 RPC 774, *Tohtonku Sdn Bhd*.

[34] I had taken the plaintiff's and the defendants' marks as a whole. I conclude that the phonetic aspects of both marks cannot be taken into account

as both the plaintiff's mark 'FWCMS' and the defendants' 'MyFWMs' mark do not carry any sensible speech or phonetic sounds. But I took into account the conceptual aspects of the services offered by both the plaintiff and the defendants, which relate to a similar system created to manage foreign workers in Malaysia.

[35] I am further satisfied that having considered the visual aspects and the services to which these marks applied, it is safe for me to make a finding of fact that the defendants' 'MyFWMs' mark is so nearly resembles the plaintiff's 'FWCMS' trademark. I conclude that the answer to the first issue is in the affirmative.

Issue two: Whether the defendants' offer of their services in their website https:myfwms.com.my containing the mark 'MyFWMs' infringed the plaintiff's 'FWCMS' trademark

[36] It is my conclusion that the fact that I had made a finding of fact that the defendants' 'MyFWMs' mark is similar to the plaintiff's 'FWCMS' trademark does not automatically mean the defendants had infringed the plaintiff's trademark, for the plaintiff shall fulfill the legal thresholds and elements as set out in s 54 of the TMA 2019.

[37] The current legal position as to what constitute a trademark infringement is as set out in the Federal Court case of *Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor* [2018] 1 MLJ 175; [2018] 1 CLJ 287. In essence, trademark infringement is an unauthorized use of a sign that is substantially identical with, or deceptively similar to, a registered trademark, is an infringement. A trademark is taken to be deceptively similar to another trademark if it so nearly resembles the other trademark that it is likely to deceive or cause confusion in the course of trade: *SkyWorld Development Sdn Bhd & Anor v SkyWorld Holdings Sdn Bhd & Ors* [2020] 3 MLJ 294; [2020] 1 LNS 48 (CA).

[38] In essence, the Federal Court in *Low Chi Yong* had explained that for the claimant to succeed in a trademark infringement claim under s 38 of the Trademarks Act 1976 ('the TMA 1976'), he must establish that:

(a) he owned a valid trademark;

(b) the trademark was used in the course of trade without consent; and

(c) the unlawful usage of the trademark owned by him had caused deception/confusion to the public who are among the prospective customers.

[39] That legal position had been reaffirmed time and again in a plethora of decisions, and most recently by the Federal Court in *Munchy Food Industries Sdn Bhd v Huasin Food Industries Sdn Bhd* [2022] 1 MLJ 377; [2021] 10 CLJ 329 where the Federal Court held:

> In *Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor* [2018] 1 MLJ 175 ... Suriyadi Halim Omar FCJ delivering the judgment of the court emphasised that the burden of proof in trademark infringement case lies with the party alleging that his trademark have been infringed and that the party complaining of the infringement must establish the following:
>
> (a) he owned a valid trademark;
>
> (b) that the trademark was used in the course of trade without consent; and
>
> (c) the unlawful usage of the trademark owned by him had caused deception/confusion among the prospective customers.

[40] I must highlight that s 38 of the TMA 1976 employed the phrase 'likely to deceive or cause confusion', whereas s 54 of the new TMA 2019 uses the phrase 'likelihood of confusion on the part of the public'. For ease of reference I state below s 54 in its entirety:

> 54(1) A person infringes a registered trademark if he uses a sign which is identical with the trademark in relation to goods or services which are identical with those for which it is registered, in the course of trade, without the consent of the registered proprietor.
>
> (2) A person infringes a registered trademark if, without the consent of the proprietor of the trademark, he uses in the course of trade a sign —
>
> (a) that is identical with the trademark and is used in relation to goods or services similar to those for which the trademark is registered; or
>
> (b) that is similar to the trademark and is used in relation to goods or services identical with or similar to those for which the trademark is registered,
>
> resulting in the likelihood of confusion on the part of the public.
>
> (3) For the purposes of this section, a person uses a sign if he —
>
> (a) applies it to goods or their packaging;
>
> (b) offers or exposes goods for sale under the sign;
>
> (c) puts goods on the market under the sign;
>
> (d) stocks goods under the sign for the purpose of offering or exposing them for sale or of putting them on the market;
>
> (e) offers or supplies services under the sign;
>
> (f) imports or exports goods under the sign;

(g) uses the sign on an invoice, catalogue, business letter, business paper, price list or other commercial document, including any such document in any medium; or

(h) uses the sign in advertising.

(4) A person who —

(a) applies a registered trademark to any material used or intended to be used for labelling or packaging goods; or

(b) uses a sign in advertising or on any document described in paragraph (3)(g),

shall be treated as a party who uses the material which infringes the registered trademark if when he applied the trademark, he knew or had reason to believe that the application of the trademark was not duly authorized by the registered proprietor of the trademark or a licensee.

[41] Some may argue that there exist a syntax difference between 'likely' and 'likelihood'. I find none. Although 'likely' was used in the old s 38, the courts had for a long period of time used that phrase interchangeably with 'likelihood' (see: *A Clouet & Co Pte Ltd & Anor v Maya Toba Sdn Bhd* [1996] 1 MLJ 251; [1996] 1 BLJ 239 (HC), *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7; [1996] 4 CLJ 784 (CA), *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358; [2004] 3 CLJ 815 (CA), *Bata Ltd v Sim Ah Ba @ Sim Teng Khor & Ors (trading as Kheng Aik Trading)* [2006] 6 MLJ 445; [2006] 3 CLJ 393 (CA), *Meidi-Ya Co Ltd, Japan & Anor v Meidi (M) Sdn Bhd* [2009] 2 MLJ 14; [2009] 2 CLJ 15 (FC), *Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor (Registrar of Trade Marks, intervener)* [2015] 4 MLJ 166; [2015] 4 CLJ 20 and *Munchy Food Industries Sdn Bhd*).

[42] Section 54 must be read together with s 9 of the TMA 2019, in the current instance s 9(1), which provides:

(1) In determining whether the use of a trademark is likely to cause confusion on the part of the public, the Registrar or the court may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trademark.

[43] It is trite that in determining the existence or otherwise of the 'likelihood of confusion on the part of the public', it is one of perception and not science: *Wagamama Ltd v City Centre Restaurants* [1995] FSR 713. This court would therefore assess the evidence and make up its own mind objectively and not solely relying on the evidence of the witnesses, market survey or market research: *Electrolux Ld v Electrix Ld and another* [1954] 71 RPC 23, *Warmal Wil Heavy Duty Pumps Sdn Bhd v Pump Matrix Engineering*

Sdn Bhd [2018] 10 MLJ 99.

[44] DW1 (second defendant) had testified that the impugned defendants' foreign workers management system was presented to a group of officials of the Ministry of Home Affairs ('KDN'). Not only that, DW1 further emphasised in his testimony in consonant with the defendants' pleadings that the system that was presented to the said KDN officials was in actual fact a 'dummy' system, which include the usage of the infringing mark 'MyFWMs' in the first defendant's website, which at the material time was still under construction. It was in fact a dummy website created solely for the said presentation/demonstration. The first defendant company at the material time was bidding for the project and the presentation was part of that bidding process at a proof of concept stage.

[45] Based on this evidence, I had requested the learned counsels of both parties to submit further as to whether that group of KDN officials fall within the meaning of 'public' and if the answer is in the affirmative, whether the presentation by defendants to them had resulted in 'likelihood of confusion' as provided under s 54(2) of the TMA 2019.

[46] I agree with the submission of the plaintiff's counsel that our s 54(2) TMA 2019 is in pari materia with s 27(2) of the Singapore Trade Marks Act 1998 (Cap 322, 2005 Rev Ed) particularly in the employment of the phrase 'likelihood of confusion on the part of the public'.

[47] In *Sarika Connoisseur Cafe Pte Ltd v Ferrero SpA* [2012] SGCA 56; [2013] 1 SLR 531, the Singapore Court of Appeal, inter alia, in deciding on the applicable test for determining similarity of goods under the said s 27(2) of the Singapore Trade Marks Act 1998 held that:

(a) the test for determining likelihood of confusion (under s 27(2) of the Singapore Trade Marks Act 1998 was whether a substantial portion of the relevant public would be confused. This standard was above *de minimis* and had to be appreciable, though it was unnecessary to show confusion of a majority of the relevant public;

(b) in the instant case, 'the relevant public' means the general public as both parties' product were generally available to the general public to purchase and consume (the products in question were chocolate products, and the trademarks in question were the respondent's 'Nutella' and the appellant's 'Nuttelo' marks;

(c) applying the earlier decision of the Singapore Court of Appeal in *Polo/Lauren Co, LP v Shop In Department Store Pte Ltd* [2006] 2 SLR(R) 690), and the celebrated English court decision of *The Pianotist,* courts must take a holistic view of all the circumstances — including the

'extraneous factors' — to determine whether a likelihood of confusion existed on the facts of each case;

(d) extraneous factors would mean 'all the surrounding circumstances' as decided in *Pianotist*; and

(e) if parliament intended that upon establishing similarity in marks and goods there would immediately be a finding of confusion, parliament would have used the phrase 'there shall be deemed to be confusion' in that s 27(2).

[48] Based on the affirmative reception of the decision of *The Pianotist* by Malaysian courts (see *Skyworld Development Sdn Bhd*, *Merck KGaA v Leno Marketing (M) Sdn Bhd* [2017] MLJU 1011; [2017] 1 LNS 1006 (CA), *Al Baik Fast Food Distribution Co SAE*, *Hiu Kuan Hoe v Societe Des Produits Nestle SA* [2012] MLJU 615; [2013] 2 CLJ 644 (CA), *LB (Lian Bee) Confectionary Sdn Bhd v QAF Ltd & Anor* [2011] 7 CLJ 797 (CA), *Tohtonku Sdn Bhd* (SC), and the application of the principle therein by the Singapore Court of Appeal in *Sarika Connoisseur* and that our new s 54(2) of TMA 2019 is *in pari materia* with s 27(2) of the Singapore Trade Marks Act 1998, I am adopting affirmatively the principle of 'extraneous factors' as laid down by the Singapore Court of Appeal in *Sarika Connoisseur* in determining the 'likelihood of confusion on the part of the public' as provided in s 54(2) TMA 2019. This is also in consonant with the s 9 of the TMA 2019 which provides that this court 'may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trademark'.

[49] The extraneous factors that I had taken into account based on the evidence before me were that:

(a) the defendants' impugned foreign workers management system was in the stage of development by the defendants;

(b) that system was presented to a dedicated group of KDN officials, in the course of the defendants' bidding for the project, behind closed doors; and

(c) the subject matter of the presentation/demonstration and all persons involved in that presentation/demonstration were subjected to the relevant secrecy laws and regulations.

[50] I took judicial notice that the relevant KDN officials must have been seised with the earlier similar project provided by the plaintiff. In their capacity as the officials seised of the project, they must have been familiar with the entirety of the project, including knowing the plaintiff's trademark used in that project for those years earlier.

[51] Based on all the above considerations, I concluded that the said KDN officials do not fall within the spectrum of 'public' as envisaged by s 54 of the TMA 2019. They may be well-informed persons on the services offered but they are not the average consumer of the services offered by the defendants as discussed in *Sabel BV v Puma AG and Rudolf Dassler Sport: C-251/95* [1998] RPC 199. I concluded further that the said KDN officials cannot have been confused into believing that the presentation/demonstration by the defendants was a demonstration by the plaintiff. They cannot have been confused between the defendants' 'MyFWMs' mark and the plaintiffs 'FWCMS' trademark.

[52] I concluded that the defendants had offered their services in the course of their trade to the government representatives. This was carried out through various means which include the stated presentation to the dedicated group of KDN officials and the creation of a dummy website 'https:myfwms.com.my' and/or 'https:myfwms.com' using the infringing mark. That mark is similar to the plaintiff's trademark.

[53] Having considered the above extraneous factor relevant to the circumstances, I concluded that the defendants did not infringe the plaintiff's trademark as the plaintiff failed to prove the requisite legal element of *resulting in the likelihood of confusion on the part of the public* as provided under s 54 of the TMA 2019.

[54] Based on the above considerations, I conclude that the answer to the second issue is in the negative.

Issue three: Passing off

[55] As the plaintiff's claim for the tort of passing off is governed by common law, that claim does not depend on the registered proprietorship of its trade mark.

[56] The elements which must be present in a passing off action were enumerated in *AG Spalding Brothers v AW Gamage, Ltd* [1915] 84 LJ Ch 449 , where Lord Parker identified the right as 'property in the business or goodwill likely to be injured by the misrepresentation'.

[57] In *Star Industrial Co Ltd v Yap Kwee Kor (t/a New Star Industrial Co)* [1976] FSR 256 at p 269 Lord Diplock held:

> A passing-off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person's goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which

it is attached. It is sufficient that he misrepresents his goods in such a way that it is a reasonably foreseeable consequence of the misrepresentation that the plaintiffs business or goodwill will be damaged.

[58] In passing off, the protection provided by the law is not only limited to the plaintiff's registered marks but rather it extends to the goodwill in the plaintiff's business and trade: *Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6 MLJ 465; [2015] 9 CLJ 125, FC.

[59] Thus, for the plaintiff to succeed in its claim in the tort of passing off, the plaintiff shall satisfy this court that:

(a) it has acquired goodwill in its trade/business;

(b) there must be misrepresentation by the defendants which causes damage to the goodwill of the plaintiff's business through an unlawful association created by the defendants; and

(c) the plaintiff has thereby suffered or is likely to suffer damage as a result of the defendants' misrepresentation.

[60] To determine whether the plaintiff had acquired goodwill in its trade/business, this court applied the following guidelines as laid down by the Court of Appeal in *Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585; [2011] 1 LNS 1307:

(a) that goodwill is the benefit added to the business through extensive trading operations which attracts custom;

(b) that trademark or get up is the badge and indicia that signifies, indicates and identifies the goodwill and the business;

(c) that goodwill is created through and by means of trading activities; and

(d) that the more extensive the trading activities are, which must necessarily include sales and promotion, the more value that would be attached to the goodwill.

[61] There is no requirement for a trade mark to be renowned before the user may be said to have acquired business goodwill, as clarified in the Court of Appeal case of *SkyWorld Development Sdn Bhd*.

[62] The defendants had emphasised time and again that their 'MyFWMs' mark was coined from the acronym of the first defendant name. The

defendants argued that this is one of the most distinguishing factor to that of the plaintiffs which derived its 'FWCMS' mark from the abbreviation of the services it provides.

[63] In *Skyworld Development Sdn Bhd* the plaintiffs (Skyworld Development Sdn Bhd and Skyworld Capital Bhd) brought an action against the corporate defendants (Skyworld Holdings Sdn Bhd, Skyworld Global Sdn Bhd, Skyworld (Sabah) Sdn Bhd and Sky World City Bhd) for infringement of the plaintiffs' 'SkyWorld' registered trademarks, passing off and unlawful interference with trade for the defendants' usage of the marks 'SkyWorld' and 'Sky World' in relation to the defendants' company names, domain name as well as for their purported 'Sky World City Sabah' project. The court held that the plaintiffs had established all the elements constituting trade mark infringement under s 38 of the TMA 1976, and the corporate defendants is liable for trade mark infringement in respect of their use of the infringing names in the company names, domain name and project name.

[64] The principle that I distilled from the above decision is that the argument as proffered by the defendants that they cannot be faulted for infringement of trademark or passing off simply because their chosen mark is a legit abbreviation of their company name, per se, cannot be sustained.

[65] The plaintiff is only required to show that its business identifiers (in this case the 'FWCMS' marks) are distinctive of the plaintiff *White Hudson & Co v Asian Organization Ltd* [1965] MLJ 186; [1964] 1 LNS 215, PC). Having perused the evidence before me, I found that the plaintiff had acquired substantial goodwill and reputation in their trade through its 'FWCMS' trademark, whereby the relevant public as well as the relevant community had identified 'FWCMS' exclusively with the plaintiff, aside through their extensive and substantial advertising and promotional activities and investments through the years when they conducted the services of foreign workers management system to the public (*Mesuma Sports Sdn Bhd*).

[66] In determining whether there was misrepresentation by the defendants, I turned on to the decision of the Supreme Court in *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770; [1994] 3 CLJ 7, where Gunn Chit Tuan CJ (Malaya), held:

> In order to create a valid cause of action for passing off, there must be a misrepresentation made by a trader in the course of trade to prospective customers of his or ultimate consumers of goods or services supplied by him, which was calculated to injure the business or goodwill of another trader and which caused actual damage to a business or goodwill by whom the action is brought ... the logo

and get-up had become distinctive of the respondent's products and the use by the appellants was likely to deceive or cause deception to a potential buyer or customer ...

[67] I rule that the plaintiff had successfully proven misrepresentation by the defendants which causes damage to the goodwill of the plaintiff's business through an unlawful association created by the defendants and that the plaintiffs have thereby suffered damage as a result of the defendants' misrepresentation. Consequently, I allow the plaintiff's claim for the tort of passing off.

Issue four: Unlawful interference with trade

[68] I am guided by the Court of Appeal's decision in *SkyWorld Development Sdn Bhd* where two main principles could be distilled on this issue when the court held:

... (a) once the plaintiffs have established their claim for trade mark infringement and/or passing off, it is natural consequence that the tort of unlawful interference with trade will also be made out ...

(b) the corporate defendants' intention is not relevant in cases where trade mark infringement and passing off is involved (*Excelsior Pte Ltd v Excelsior Sport (S) Pte Ltd* [1986] 1 MLJ 130; [1985] 1 LNS 60; [1986] 1 MLJ 130).

[69] As I had made an affirmative finding on the issue of tort of passing off, I decided in favour of the plaintiff that there was an unlawful interference with its trade by the defendants.

Issue five: Conspiracy to injure

[70] For the plaintiff to succeed in its claim against the defendants for tort of conspiracy to injure by unlawful means, the plaintiff must fulfill the following three elements of the tort of conspiracy to injure:

(a) there must be proof of an agreement and/or a combination of efforts of the conspirators to injure the plaintiff. Such an agreement or combination may be:

(i) formal or informal; or

(ii) in writing or by word of mouth.

(b) there are acts committed to execute the agreement or combination to injure the plaintiff; and

(c) the plaintiff has suffered damage due to acts done in execution of the agreement or combination to injure the plaintiff.

(See: *Renault SA v Inokom Corp Sdn Bhd & Anor and other appeals* [2010] 5 MLJ 394; [2010] 5 CLJ 32 (CA), *SCK Group Bhd & Anor v Sunny Liew Siew Pang & Anor* [2011] 4 MLJ 393; [2010] 9 CLJ 389 (CA) and *Muniandy a/l Nadasan & Ors v Dato' Prem Krishna Sahgal & Ors* [2016] 11 MLJ 38; [2016] 1 LNS 592(HC)).

[71] It is my finding that, on a balance of probabilities, the plaintiff has successfully proven that the defendants had conspired by unlawful means to injure the plaintiff. This finding is particularly based on the evidence before me that led me to conclude in my earlier findings that the defendants had created a mark that is similar to that of the plaintiff's, and that the defendants had committed the tortious act of passing off against the plaintiff's trademark and had unlawfully interfered with the plaintiff's trade.

[72] That conspiracy is not a criminal conspiracy as argued in the submission of the defendants' counsel.

REMAINING ISSUES

[73] I had decided to deal with the following remaining issues collectively:

Issue six: Whether or not there exist a contract between the plaintiff and the Government of Malaysia for the plaintiff's provision of the foreign workers management system;

Issue seven: If the answer to the sixth issue is in the affirmative, whether that contract is still effective;

Issue eight: Whether the defendants had profited from the use of the 'MyFWMs' marks;

Issue nine: Whether the plaintiff's claim against the defendants in relation to the defendants' use of the 'MyFWMs' mark can subsist as the Government of Malaysia had decided to suspend the earlier contract between the Government of Malaysia and the plaintiff on the provision of the foreign workers management system.

[74] As I have allowed the plaintiff's claims for passing off, unlawful interference with trade and conspiracy to injure, I had instructed for a determination on damages for the plaintiff on these headings through an assessment of damages proceeding to be held separately before me. I had decided that the eighth issue raised by the defendant as to whether they had profited from the use of the 'MyFWMs' marks would be determined at the said assessment of damages proceeding.

[75] I had decided that the sixth, seventh and ninth issues are irrelevant for the purposes of the current claims before me and as such I shall not deal nor provide answers to these issues.

Order accordingly.

Reported by Nabilah Syahida Abdullah Salleh